

value added, the need of producers to reach up the agricultural marketing chain and capture the profits that are generated from processing the raw commodities.

Producers have great interest in pulling together to do just that, but there are a couple of important barriers. The first is technical expertise and the second is capital. Most of our producers are currently cash strapped.

Now, in response to the need, producers' need and desire to become engaged in these types of ventures, we are introducing two pieces of legislation. The first is H.R. 3513, the Value-Added Agriculture Development Act, which would grant \$50 million to create Agricultural Innovation Centers for 3 years on a demonstration basis. The Ag innovation Centers would provide separately needed technical assistance, expertise in engineering, business, research, legal services, to assist producers in forming producer-owned, value-added endeavors.

The companion bill, the Value-Added Agriculture Tax Credit Act, would create a tax credit program for farmers and ranchers to provide a jump start to value-added agriculture by allowing them to get a tax credit for making an investment in those types of operations. Specifically, the bill would make available a 50 percent tax credit for farmers who invest in a producer-owned value-added enterprise. Producers could apply the tax credit over 20 subsequent years or transfer the tax credit to allow for the cyclical nature of farm incomes.

Mr. Speaker, combined into a single package, these two initiatives will provide American family farmers the tools that they need, desperately need to successfully become vertical integrators, and to transform themselves from price takers to price makers.

This is a common sense approach to the problems that plague our agricultural economy, which are many. This is part of a solution.

But I hope that we can generate interest in this body in moving legislation that would provide the types of incentives that are necessary to tear down the barriers to value-added operations that will allow our producers to add value at the point of production and to maximize their profit and help restore some level of profitability and some level of survival to the agriculture economy in this country.

Mr. Speaker, let me just add one last thing, and that is this, this does not just affect producers. What is happening in the agricultural economy is destroying our rural way of life, our rural main streets, those who depend for jobs on the agricultural economy of this country. We are seeing it day in and day out across my State of South Dakota and across this entire country.

So I would urge this body to consider this legislation, to enact it, to help cre-

ate jobs, create economic development, and create additional value-added agricultural operations that will provide the sustenance and necessary levels of profitability to sustain agriculture in this country.

I encourage and urge my colleagues in this Chamber to cosponsor this legislation and to help us see it become law.

REAL MONEY NEED FOR EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, I am honored to be joined here today by Patty Boyle, a teacher from Southern California, whose outstanding work is well known to the colleagues that she has had in teaching, to the parents, and the students that she has touched. As a result of Patty being here, I have decided to address the House on the importance of providing funds to modernize our schools and to provide additional classroom space.

I think we are all aware of how important it is to modernize our schools, to provide Internet access to teachers and to students. Many of us have focused on how important it is to provide air conditioning for schools as we go into the spring and summer months. More and more schools have extra programs or full-year sessions. Certainly, air conditioning is necessary then. It may also be necessary in May and in September when schools have their regular sessions.

Keep in mind, we here in Congress work in air-conditioned buildings. They tell tales of last century of what it was like to be a Member of Congress without air conditioning. Imagine what it is to try to teach 30 students without air conditioning.

Finally, Mr. Speaker, we have again and again talked about the importance of smaller class sizes, particularly in the first 3 years. Well, if we are going to have class sizes of 18 or 20 students in the first 3 years or throughout elementary school, we are going to need more classrooms. We are either going to need to reconfigure the space that we have now or build additional space for those classrooms that will be needed because we take the same number of students and put them into a larger number of classrooms so that they can have smaller class sizes.

All too often, what this has meant for resource specialists, for special ed classrooms, is that, as there are more classrooms devoted to regular elementary school education, the special ed students find themselves relegated to closets, to faculty rooms, to whatever nook and cranny that was never designed to allow students to learn and teachers to teach.

Both parties have recognized the importance of allocating Federal aid to schools and especially to provide school districts with the capacity to build additional classrooms and to modernize the classrooms that they do have.

But while both parties have recognized the need and both parties have decided that that need should be met by changing our Tax Code, that is where the similarity ends.

Unfortunately, the Republican Party has come up with a bizarre notion of how to use the Tax Code in order to encourage school construction. What they have said is it is okay for school districts to issue school bonds and then those districts will be encouraged to delay school construction, not for the 2 years that are allowed under the current tax law, but up to 4 years.

Now school districts need flexibility into when they issue the bonds and when they actually do the construction, but this is the first case where that flexibility is designed as a method of providing money for the school districts.

Well, how are they supposed to get money? Well, they are encouraged to arbitrage, to take the funds that they get by issuing school bonds and not build schools right away, but take the money to the markets, play the markets. Then they are allowed under the new Republican proposal to keep the profits.

The sole contribution to school construction and modernization offered in this Republican tax plan is a free ticket to Las Vegas for every school board member in the country.

I do not think that we should be encouraging schools to arbitrage invest, and we certainly should not view ourselves as having made some major contribution to education and school construction, because we have provided those free tickets to Las Vegas and told the school district that they are allowed to keep the profits that they make by playing the market.

Instead, the Democratic tax proposal, one that I am proud to cosponsor, and it is not just a Democratic proposal now, I believe the gentlewoman from Connecticut (Mrs. JOHNSON) and many other Republicans have sponsored or cosponsored. This legislation would, instead, provide real money by allowing schools to have the Federal Government pay the interest on the bonds up to \$25 billion in bonds. That is real money for schools to spend.

CONGRATULATING HAWAII'S WINNERS OF THE PRUDENTIAL SPIRIT OF COMMUNITY AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Speaker, I congratulate two remarkable students from Hawaii—Leanne Nakamura, age 17, of Kaneohe